Recreation Visitor Spending and Economic Significance

Sales

Jobs

Income

NED Benefits

USACE 2008 Planning Community of Practice Conference

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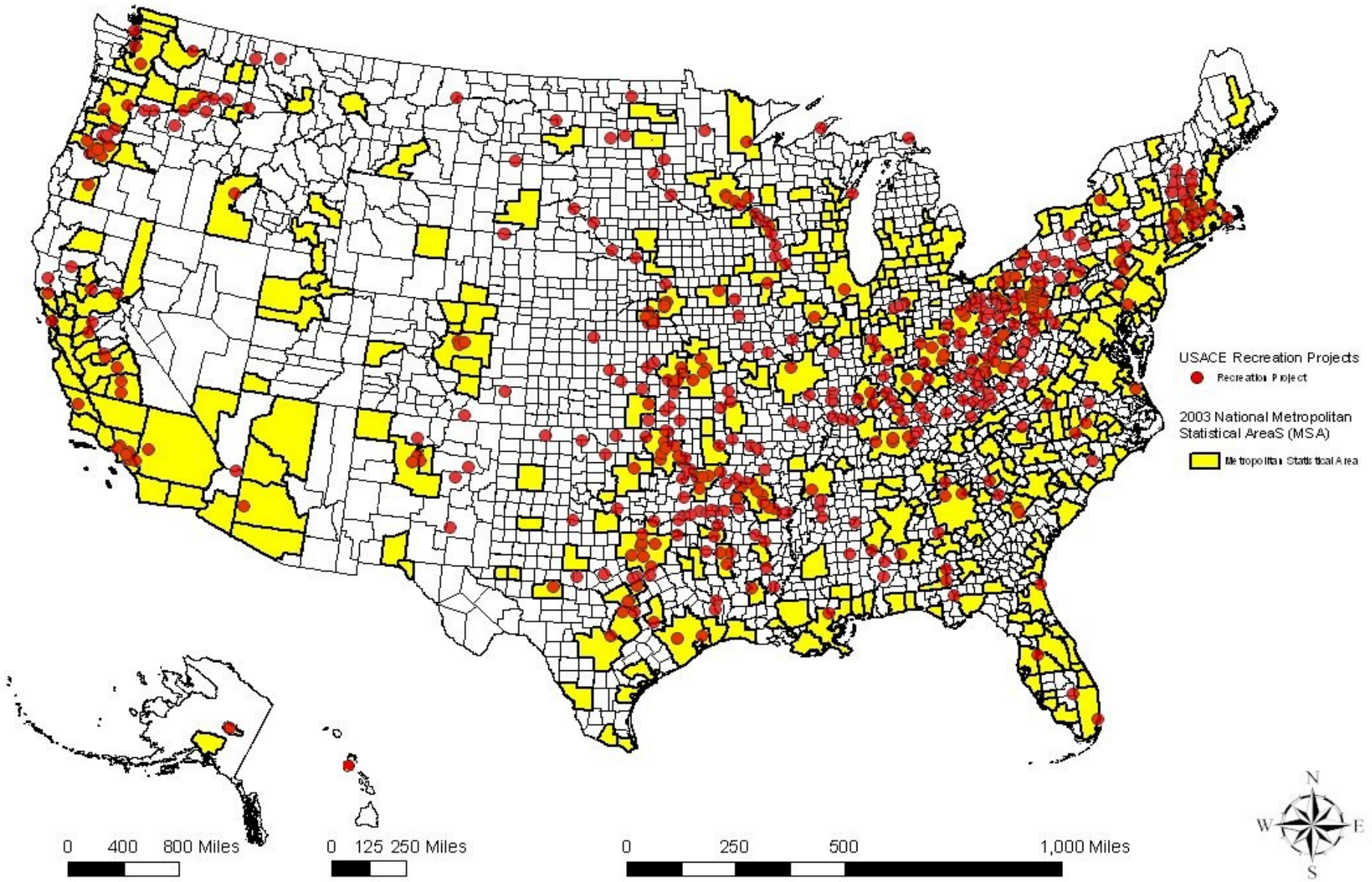
Overview

- US Army Corps of Engineers Recreation Program
- Why do Economic Impact Analysis?
- Technical approaches
- Applications
- Data and tools online (NRM Gateway)

Public Use of Natural Resources

- More than 400 Recreation Projects with 5000+ parks in 43 states
- 12 million acres of federal lands and waters
- 56,000 miles shoreline
- Critical green space for wildlife and human populations
- 100 million fishing visits annually--31% of total on US lakes
- 9 million hunting visits
- 63 million wildlife watchers

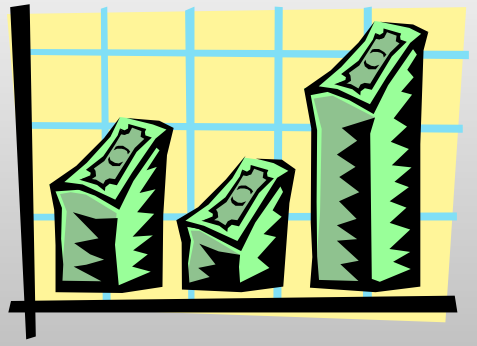
USACE Recreation Projects with National Metropolitan Statistical Areas (MSA)



Why Do Economic Impact Analysis?

To answer:

- How much do visitors spend in the region?
- How does visitor spending contribute to the region's
  - Sales
  - Income
  - Jobs
  - Tax revenue



NED vs. Regional Benefits

- NED benefits are captured in Rec-BEST using Unit Day Value approach– Consumer Surplus
- Regional Economic Impacts are estimated using Visitor Surveys/ Input-output (I-O) Models– Benefits to the Region's Economy

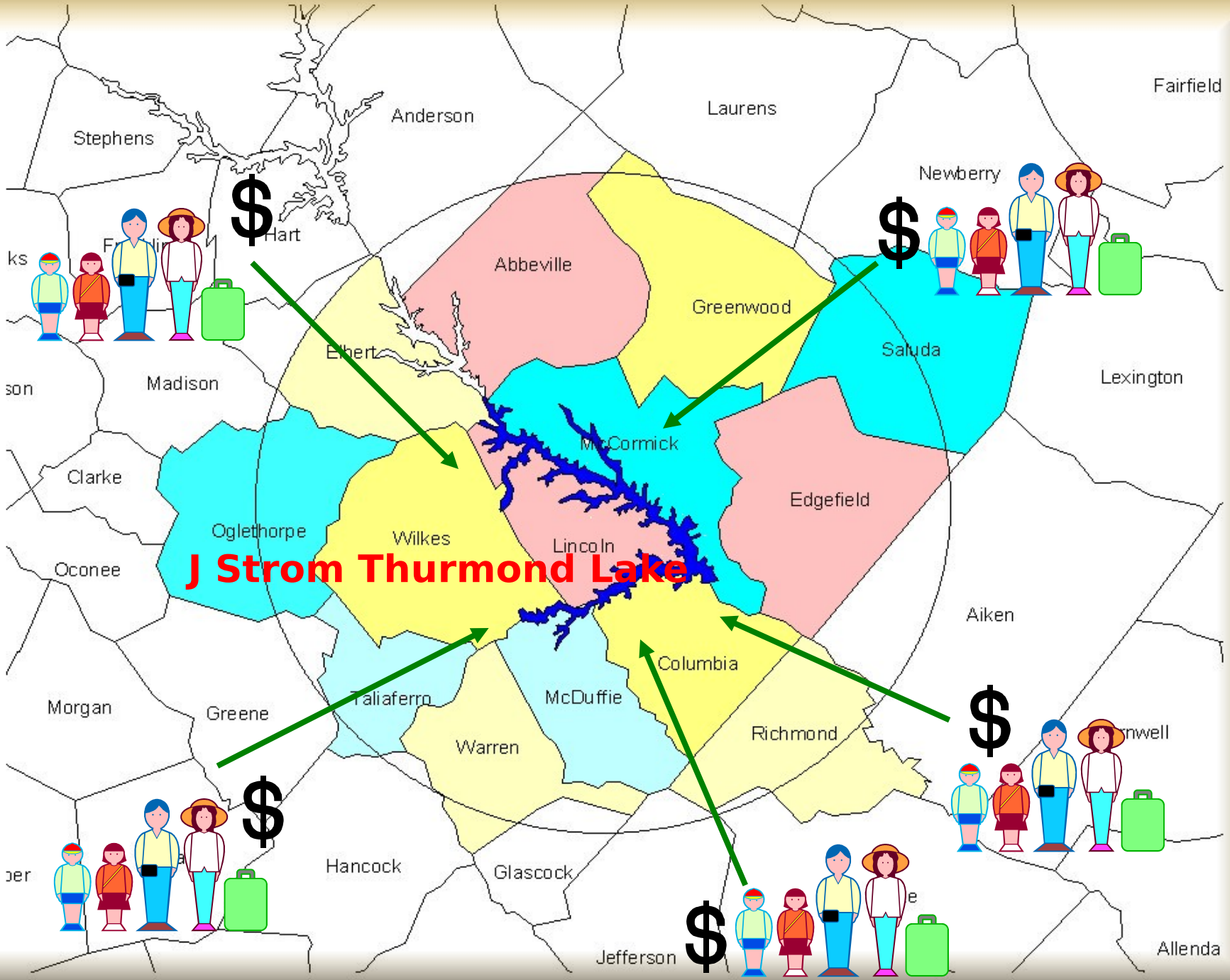
These are two different accounts and should not be compared/added to each other

How We Produce the Estimates

- Visitation: Visitation Estimation and Reporting System (under revision)
- Visitor Spending Surveys (ongoing efforts)
- Regional Economic Models (IMPLAN)
- The US Army Corps' Recreation Economic Assessment System (REAS)

Regional Economic Impacts =

Visits × Spending × Multiplier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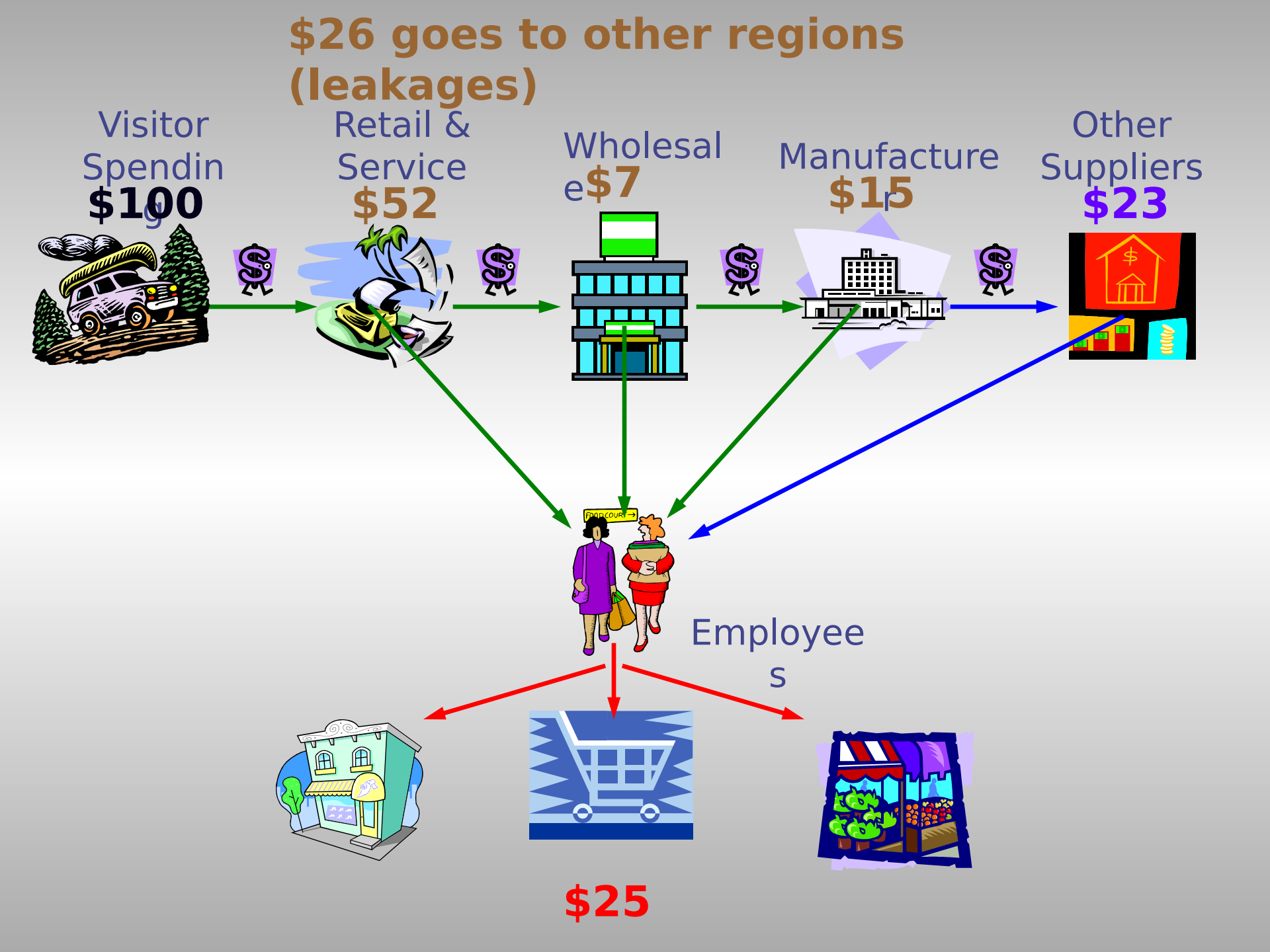

$26 goes to other regions (leakages)
Visitor Spendin g
$100
Retail & Service
$52
Wholesal e
$7
Manufacture
$15
Other Suppliers
$23
Employee s
$25

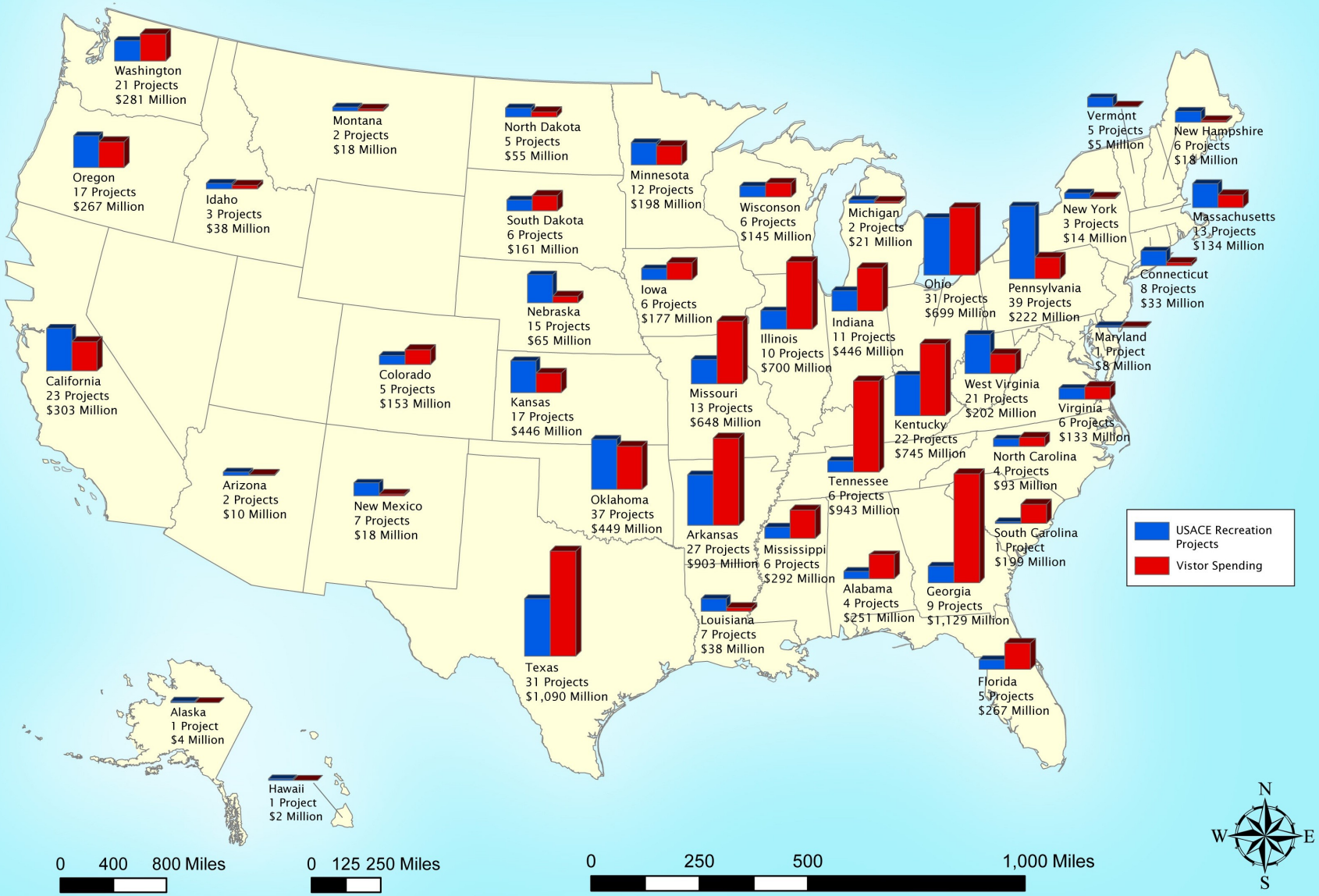
Economic Significance of CE Recreation Program

In 2006, there were 372 million visits to Corps Lakes

Total regional economic effects (from both residents and non-residents):

- **Total Visitor Spending: $13 billion on trips and $5 billion on durable goods**
- **With multiplier effects, visitor spending supported 350,000 full and part time jobs and generated $22 billion in value added**

Number of Corps Recreation Projects
Visitor Spending on Trips to Corps Lakes



Application: Budget Justification Supplement

- Once implemented, the proposed $125 million Recreation Area Modernization Program will in three years stimulate:
  - $200 million in visitor spending
  - $214 million in personal income
  - 7,000 jobs

Application: Partnership

- Economic impact information of the nine Corps Lakes stimulated the partnership to market the “Great Lakes of Georgia”
- Results- Within two days 18 CVB’s committed $65,000, which was matched by the State for marketing campaign
- Links to NRM Gateway from http://www.greatlakesofgeorgia.com

US Army Corps of Engineers

GeorgiaOnMyMind.org
1-800-VISIT GA

Georgia State Parks & Historic Sites

Application: Other Business Areas

Maintaining navigation infrastructure for Oregon Ports supports recreation and benefits regional economy:

- 945,400 visits a year
- $79 million on trip spending
- $39 million on durable goods by boaters
- Generated $42 million in personal income and supported 1,700 jobs in Oregon

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United States Senate

WASHINGTON, DC 20510

July 17, 2003

The Honorable George W. Bush
President of the United States
The White House
Washington, DC 20500

Dear Mr. President:

We write to you today to express our deep concern over inadequate funding of the United States Army Corps of Engineers (USACE) budget for critical Oregon infrastructure projects. Year after year, the Office of Management and Budget (OMB)

improvements.

Critical waterway infrastructure is not being maintained; new projects are not

A recent U.S. Army Corps of Engineers study of the economic impacts of recreational use of 18 Oregon shallow draft ports indicates that these ports generate, with multiplier effects, $94.3 million in sales, $35.9 million in income and 1,542 jobs. As of

In addition to several deep draft ports, we represent small coastal ports and harbors along the Oregon coast. These ports are the economic engines of their rural communities. These smaller ports -- home to fishing fleets, marinas and significant recreational facilities -- are critical to the economic survival of their communities. The decline in log and timber exports has dramatically reduced the commercial use of the shallow draft ports. Recreational boating and commercial fishing are more important to the economic health of our region's shallow draft port communities now than ever befor

A recent U.S. Army Corps of Engineers study of the economic impacts of recreational use of 18 Oregon shallow draft ports indicates that these ports generate, wit multiplier effects, $94.3 million in sales, $35.9 million in income and 1,542 jobs. As of 1998, the landed value of commercial seafood at Oregon coastal ports averaged $75

million per year and generated approximately $31 million in personal income and 1,258 jobs.

Oregon has the highest unemployment rate in the nation. In June, our State's seasonally adjusted unemployment rate soared to 8.5 percent – the highest level in 17 years. Oregon urgently needs federal investments that will bring economic growth to our state. Denying funding to the smaller shallow draft ports literally leaves these ports and the communities they serve high and dry. The federal government encouraged settlement of these areas through the investment of federal infrastructure dollars in rural America. The future of these communities is at risk without continued investment.

United States Senator

United States Senator

Sincerely,

Ron Wyden

RON WYDEN
United States Senator

GORDON SMITH
United States Senator

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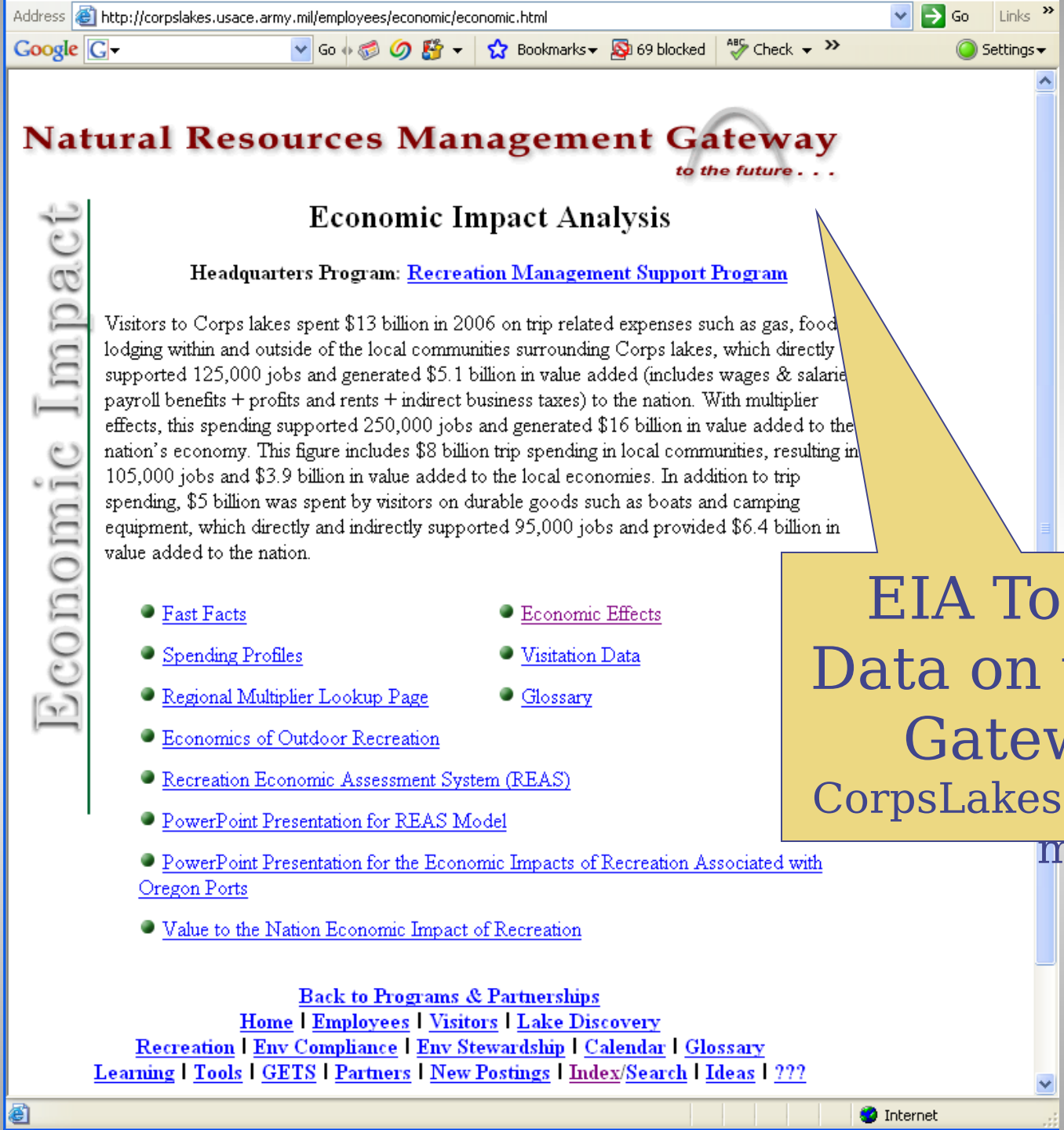
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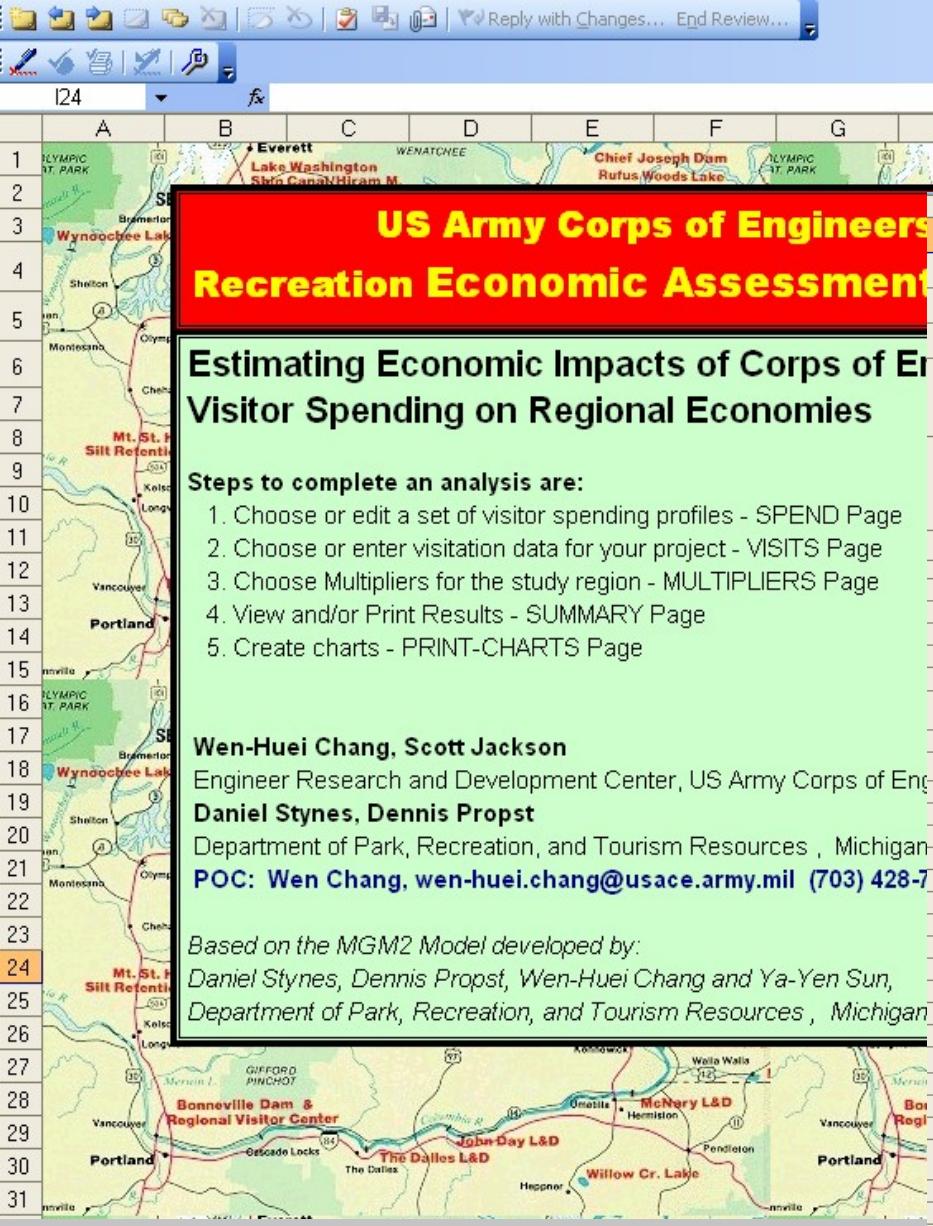
Economic Impact
Economic Impact Analysis
Headquarters Program: Recreation Management Support Program
Visitors to Corps lakes spent $13 billion in 2006 on trip related expenses such as gas, food lodging within and outside of the local communities surrounding Corps lakes, which directly supported 125,000 jobs and generated $5.1 billion in value added (includes wages & salarie payroll benefits + profits and rents + indirect business taxes) to the nation. With multiplier effects, this spending supported 250,000 jobs and generated $16 billion in value added to the nation's economy. This figure includes $8 billion trip spending in local communities, resulting in 105,000 jobs and $3.9 billion in value added to the local economies. In addition to trip spending, $5 billion was spent by visitors on durable goods such as boats and camping equipment, which directly and indirectly supported 95,000 jobs and provided $6.4 billion in value added to the nation.
Fast Facts
Economic Effects
Spending Profiles
Visitation Data
Regional Multiplier Lookup Page
Glossary
Economics of Outdoor Recreation
Recreation Economic Assessment System (REAS)
PowerPoint Presentation for REAS Model
PowerPoint Presentation for the Economic Impacts of Recreation Associated with Oregon Ports
Value to the Nation Economic Impact of Recreation
Back to Programs & Partnerships
Home | Employees | Visitors | Lake Discovery
Recreation | Env Compliance | Env Stewardship | Calendar | Glossary
Learning | Tools | GETS | Partners | New Postings | Index/Search | Ideas | ???
Internet

EIA Tools and Data on the NRM Gateway @ CorpsLakes.usace.army.mil



US Army Corps of Engineers
Recreation Economic Assessment

Estimating Economic Impacts of Corps of Engineers Visitor Spending on Regional Economies

Steps to complete an analysis are:

1. Choose or edit a set of visitor spending profiles - SPEND Page
2. Choose or enter visitation data for your project - VISITS Page
3. Choose Multipliers for the study region - MULTIPLIERS Page
4. View and/or Print Results - SUMMARY Page
5. Create charts - PRINT-CHARTS Page

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Engineer Research and Development Center, US Army Corps of Engineers
Daniel Stynes, Dennis Propst
Department of Park, Recreation, and Tourism Resources , Michigan
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Based on the MGM2 Model developed by:
Daniel Stynes, Dennis Propst, Wen-Huei Chang and Ya-Yen Sun,
Department of Park, Recreation, and Tourism Resources , Michigan

SUMMARY OF RESULTS

Update Summary Box — Always click this button to update the text box below

Proceed to Print-Charts Page

Total visitation in ABIQUIU DAM was 195,320 (Visit,) in 2006. CE visitors in the area spent $4,050 thousand on trip within 30 miles of the project.

51% of this spending was captured by local economy yielding $2,076 thousand in direct sales to tourism related firms. These sales generated $0,763 thousand in direct personal income and supported 40 direct jobs.

With multiplier effects visitor spending resulted in $2,766 thousand total sales, $0,974 thousand in total personal income, and supported 51 jobs.

Spending data set	Units	Input
Year of spending data		2006
Multipliers		SPAABIQUIU_DAM.iap
VISITS	Visit,	195,320
Average spending	per Visit	$ 20.73

Table 1. Economic Impacts of Visitor Spending

Sector/Spending category	Sales ($ Thousands)	Jobs	Labor Income ($ Thousands)	Value Added ($ Thousands)	
Direct Effects					
Motel, hotel cabin	121.36	2	53.04	85.95	1
Other Lodging	62.20	1	6.61	15.68	2
Restaurants & bars	774.40	18	289.33	326.28	3
Auto repair	108.68	2	20.33	46.74	4
Boat repair and maint.	64.55	1	12.08	27.76	5
Entertainment and recreation fees	153.03	4	55.75	93.49	6
Other services	-	-	-	0.00	7
Grocery stores	241.51	4	104.10	138.87	8
Gas stations	297.38	4	109.16	141.64	9
Clothing retail	-	-	-	0.00	10
Sporting goods retail	68.45	1	29.91	41.03	11
Other retail	138.82	3	65.79	91.97	12
Wholesale trade	45.84	1	16.58	29.03	13
Manf	0.20	0	0.04	0.07	14
Total Direct Effects	2,076.43	40	762.73	1,038.51	15
Secondary Effects	689.13	10	211.21	361.23	16
Total Effects	$ 2,766	51	$ 974	$ 1,400	17
Multiplier	1.33	1.25	1.28	1.35	

Total Visitor Spending ($ Thousands)	$ 4,050	
Capture rate	51%	
Effective spending multiplier	0.68	

Table 3. Marginal Impacts per $1,000 of spending and per 1,000 visits

	change per $1,000 of visitor spending	change per 1,000 visits

Welcome | SPEND | VISITS | TOTSP | Multipliers | Lookup | SUMMARY | Print-Charts | D1

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VALUE to the NATION — FAST FACTS

State Level Report for Alabama

RECREATION 2006

US Army Corps of Engineers — Value to the Nation

Lakes in Alabama:
ALABAMA RIVER LAKES
BLACK WARRIOR AND TOMBIGBEE LAKES

When a lake spans the borders of two or more jurisdictions, the benefits associated with the lake are assigned to only one jurisdiction, usually the one where the lake office is located.

Natural and recreational resources at the 2 Corps lake(s) in Alabama provide social, economic and environmental benefits for all Americans. Following are interesting Fast Facts related to the Corps lakes in Alabama.

Social Benefits

Facilities	Visits (person-trips)	Benefits in Perspective
• 126 recreation areas • 626 picnic sites • 883 camping sites • 35 playgrounds • 7 swimming areas • 28 trail miles • 4 fishing docks • 67 boat ramps • 2 marinas • 88 marina slips	• 7,096,411 in total • 1,001,773 picnickers • 41,854 campers • 349,695 swimmers • 530,556 water skiers • 3,094,684 boaters • 1,670,607 sightseers • 4,142,101 fishermen • 167,981 hunters • 435,852 others	By providing opportunities for active recreation, Corps lakes help combat one of the most significant of the nation's health problems: lack of physical activity. Recreational programs and activities at Corps lakes also help strengthen family ties and friendships; provide opportunities for children to develop personal skills, social values, and self-esteem; and increase water safety.

Economic Benefits

7,096,411 visits per year resulted in:	Benefits in Perspective
• $173.27 million in visitor spending (not including durable goods) within 30 miles of the Corps lakes • 51% of the spending was captured by local economy as direct sales effects With multiplier effects, visitor spending resulted in: • $115.24 million in total sales • $58.99 million in value added (wages & salaries, payroll benefits, profits and rents and indirect business taxes) • Supported 1,981 jobs in communities near Corps Lakes	The money spent by visitors to Corps lakes on trip expenses adds to the local and national economies by supporting jobs and generating income. Visitor spending represents a sizable component of the economy in many communities around Corps lakes. *Click here for a detailed economic impact report for Alabama.* *Click here for more information about how these numbers are collected.*

Environmental Benefits

Internet

ecreation Fast Facts >Reports by State - Microsoft Internet Explorer

Tools Help

Search Favorites

wr.usace.army.mil/recreation/state.asp?state=AL#

Go Links

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VALUE to the NATION

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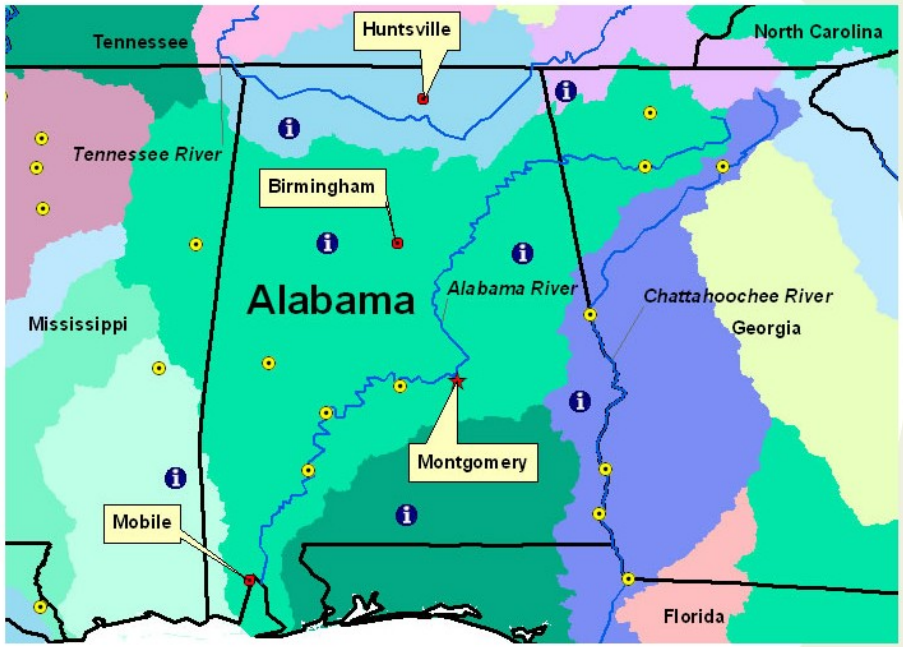
Fast Facts for Alabama

Return to National Map View Previous Map State Level Report

Select a report to view:

Congressional District | Watershed | Corps Lake



EIA date on Value to the Nation @

Conclusions

- The Corps is important to the local, regional and state economy–it is an important story to tell
- It also helps policy analysts and decision makers evaluate current and proposed projects
- Need for continued R & D to estimate, maintain, and update EIA data
- Need to capture navigation and other business areas' contribution to recreation benefits